

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Chit Fund Act, 1982 - Appeal Petition filed by Sri N.Sathish Babu S/o Narasimhulu, and Sri N.Narasimhulu S/o Ramaiah, R/o Nimmanapalle Road, Basinikonda, Madanapalle, Chittoor against the orders passed by Dy. Registrar, Chits at Chittoor – Orders – Issued.

REVENUE (REGN.II) DEPARTMENT

G.O.Rt.No.392

Dated:07 -05-2015.
Read the following:-

1. Appeal Petition filed by Sri N.Sathish Babu and another Chittoor District, dated:28.03.2014.
2. Govt. Memo.No.13658/Regn.II/2014-1, dated 01.04.2014.
3. From the Deputy Registrar of Chits, Chittoor, Lr.No.Chits/233/2014, dated 21.4.2014
4. Govt.Memo.No.13658/Regn.II/2014-2, dated 09.05.2014.
5. Govt.Memo.No.13658/Regn.II/2014-3, dated 14.07.2014.
6. Govt.Memo.No.13658/Regn.II/2014-4, dated 09.03.2015.
7. Govt.Memo.No.13658/Regn.II/2014-5, dated 04.04.2015.

ORDER:

This is an Appeal Petition U/s 70 of the Chit Fund Act, 1982 filed by Sri N.Satish Babu, S/o Narasimhulu, and N.Narasimhulu, S/o Ramaiah, resident of Nimmanapalle Road, Basinikonda, Madanapalle, Chittoor (here-in-after called the "Appellants No.1 and 2") against the orders passed by Dy.Registrar of Chits at Chittoor in award passed in Arbitration award in ARC No 40 of 2012 dt.24.01.2014.

2. Brief facts of the case are as follows:-

- (i) The Appellant No.1 was a subscriber to the Respondent No.1 Chit Fund Company M/s Pragathi Venkatesh Chits (India) Pvt. Ltd., he subscribed for value of Rs.2 lakhs which is payable @ Rs.10,000/- per month for a period of 20 months. He participated in the chit auction and agreed to forego an amount of Rs.62,000/- out of chit value and received the prize money of Rs.1,38,000/-. Out of 20 installments, he paid only two installments and thereafter committed default in paying the installments.
- (ii) The Respondent No.1 filed case against the Appellants before the Dy.Registrar of Chits, Chittoor who vide impugned orders directed to recover the amount of Rs.2,77,700/- from the Appellant No.1 and 2 along with future interest @ 18% per annum from 29.12.2012 till the date of realization on the principal amount of Rs.1,80,000/-. Hence this appeal.

3. In Appeal Petition the following are the main points:

- (i) The amount of Rs.400/- per day was collected and entries were made for the same by the authorized officer. This showed that the chit is not a monthly chit and is a daily one. If the same is calculated, by 26.09.2009 a sum of Rs.81,800/- was paid.
- (ii) The Appellant No.1 became highest bidder and as per the claim of the Respondent No.1 the Appellant took prize money on 29.12.2009 and executed a Promissory Note on that date. Though it is not true but even if the version of the Respondent is taken into consideration, the default is liable to be questioned and can be recovered only within three years from the default, as per Limitation Act. Though the Limitation starts from 29.12.2009 the Arbitration case is admittedly filed in 2012 after expiry of Limitation. Therefore it should not have been entertained.

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(iii) The Respondent No.1 filed O.S.No.11 of 2013 on the file of Senior Civil Judge, Madanapalle covered by the chit. Thus the Respondent cannot proceed parallel.

4. The case was first posted for hearing on 04.04.2015. No one was present on behalf of the Appellants. The Counsel for 1st Respondent Sri V.R.Ramakrishna filed written Objections along with certain documents. The case was adjourned to 25.04.2015 with specific direction to serve notice on the Appellants and proof of it should be kept in file. On 25.04.2015 also neither the Appellants nor any one on their behalf was present. There is evidence of Service of Notice by Registered Post as well as personally. Therefore, it was decided to proceed with the case based on the material available.

5. The Counsel for Respondent No.1 has mentioned that as per record there was a Written Agreement for paying Rs.10,000/- per month for 20 months. Therefore it cannot be said that the chit was daily and it is monthly chit. In fact, Appellant No.1 had paid two monthly installments. As regards the Limitation Period the Counsel has shown proof that the case was filed on 28.12.2009 i.e. on last date of Limitation. As regards the case filed before Senior Civil Judge the Counsel informed that the case related to another firm and not this firm. Therefore there is no link of that case with this case.

6. Government have examined the case with reference to the material available on record and have perused the Appeal Petition as well as oral, written submission on behalf of the Respondent No.1. First of all the Appellants does not appear to be serious about the Appeal as there is no representation despite service of notice. As regards merits of the case the Counsel for Respondent No.1 has conclusively proved that the allegations in the three grounds of Appeal 1)not being a monthly chit 2)Limitation Period and 3)Filing of another case are without any substance. Therefore, on merits, the appeal is herewith dismissed. However, there shall be no order in respects of costs.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

J.C.SHARMA
PRINCIPAL SECRETARY TO GOVERNMENT(FAC)

To

Sri N.Satish Babu, S/o.N.Narasimhulu,
1/122, Nimmanapalli Road, Basinikonda, Madanapalli, Chittoor District.

Sri N.Narasimhulu, S/o.Ramaiah,
R/o.Nimmanapalli Road, Basinikonda, Madanapalli, Chittoor District.

Sri Garla Venugopal, S/o.Narasimhaiah Chetty,
C.T.M.Road, Madanapalle, Chittoor District.

(Through Dy.Registrar of Chits, Chittoor)

M/s.Pragathi Venkatesh Chits (India) Private Limited, Madanapalli, Chittoor District.

The Deputy Registrar of Chits, Chittoor - 517 002.

M/s.B.Sudhakar Reddy, B.Neeraja S.Reddy, Ch.Venkat Reddy &
B.Sapna Reddy, Advocates, MIG II Block-9, Flat-9,
Bagh Lingampally, Hyderabad-44 Council for the appellants.

Copy to :

The Commissioner & Inspector General of

Registration and Stamps, Andhra Pradesh, Hyderabad.

The P.S.to Principal Secretary, Revenue (Regn.II)Department
SF/SC

//FORWARDED:: BY ORDER//

SECTION OFFICER